BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: **30.08.2022**

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THE HON'BLE MR.JUSTICE R.VIJAYAKUMAR

W.P.(MD)No.19200 of 2013
and
M.P.(MD)No.1 of 2013

Mathialagan ... Petitioner

Vs.

1.The General Manager,
Indian Bank,
Avvai Shanmugam Saalai,
Royepettah, Chennai-600 014.

2.The Branch Manager,
Indian Bank,
Virudhunagar Branch,
Post Box No.21,
No.176, Ramamoorthy Road,
Virudhunagar.

3.Balasubramanian ... Respondents

PRAYER : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, directing the respondents to credit the withdrawn amount Rs.29,18,956/- towards the other loan amount in Account Nos.892753537, 89300662, 890922260, 893014244 and allow the petitioner to retain the drawing power of Rs.45 laksh as sanctioned along with interest and damages on the withdrawn amount with cost.

For Petitioner : Mr.P.Saravana Kumar
for Mr.P.Kalaiyarasi Bharathi
For Respondents : Mr.Pala.Ramasamy

ORDER

The present writ petition has been filed seeking a writ of Mandamus, directing the respondents to credit the withdrawn amount Rs.29,18,956/- (Rupees Twenty Nine Lakhs Eighteen Thousand Nine Hundred and Fifty Six only) towards the other loan amount in Account Nos.892753537, 89300662, 890922260, 893014244 and allow the petitioner to retain the drawing power of Rs.45,00,000/- (Rupees Forty Five Lakhs only) as sanctioned along with interest.

2. It seems that the petitioner was sanctioned with the term loan and also a housing loan by the second respondent Bank. While the said loans were alive, the petitioner is said to have been sanctioned Open Cash Credit originally for an extent of Rs.6,00,000/- (Rupees Six lakhs).

Thereafter, it was enhanced to Rs.45,00,000/- (Rupees Forty Five lakhs). However, this Open Cash Credit sanction order was cancelled and the amount under Open Cash Credit was credited to the accounts of the term loan and the housing loan. The term loan and the housing loan were closed by the second respondent Bank. According to the petitioner, he was not put on notice before Open Cash Credit amount was withdrawn and it was credited to the account of term loan and housing loan. Hence, the present writ petition.

3. Per contra, the learned counsel for the respondents filed a Memo to the effect that the Open Cash Credit loan account has been classified as NPA and it has been transferred to M/s.Reliance ARC and since the Open Cash Credit loan account has already been declared to be an NPA, the question of permitting the petitioner to retain the drawing power at the rate of Rs.45,00,000/- (Rupees Forty Five lakhs) cannot be granted at this stage.

4. I have carefully considered the submissions and perused the records.

5. The entire transaction is a commercial transaction between the petitioner and the second respondent herein. As on today, the term loan and the housing loan have been closed by the second respondent herein by withdrawing the amount from Open Cash Credit account. The petitioner cannot question the withdrawal of the amount from Open Cash Credit account and utilizing the said amount for closing the term loan and the housing loan. Now that the Open Cash Credit loan account has been declared as NPA and it has been transferred to private asset reconstruction company, namely, M/s.Reliance ARC.

6. In such view of the matter, the prayer sought for in the writ petition cannot be granted at this stage. Recording the above said submission, this Writ Petition is closed.

30.08.2022

Index : Yes / No
Internet : Yes / No
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R.VIJAYAKUMAR ,J.

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Order made in
W.P.(MD)No.19200 of 2013

30.08.2022